

FISCAL NOTE

Bill #: SB0100

Title: Increase basic entitlement and per ANB entitlements

Primary

Sponsor: John Harp

Status: 2nd Reading in the House

Sponsor signature

Date

Dave Lewis, Budget Director

Date

Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund	\$19,986,000	\$14,680,000
Revenue:	\$0	\$0
Net Impact on General Fund Balance:	(\$19,986,000)	(\$14,680,000)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact	X		Technical Concerns
X		Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. Under current law, direct state aid will be \$271.535 million in FY2000 and \$267.279 million in FY2001. Special education payments will be \$32.487 million per year in FY2000 and FY2001. Guaranteed tax base aid paid to school districts will be \$116.553 million in FY2000 and \$114.801 million in FY2001. This reflects updated enrollments and GTB information available as of March.
2. SB 100 increases the per-ANB entitlements by 2.5% annually for elementary programs and 1% annually for high school programs. SB 100 sets the basic entitlements for elementary programs at \$25,000 for both FY 2000 and FY 2001. SB 100 sets the basic entitlement for high school programs at \$204,000 for FY 2000 and \$208,080 for FY 2001. SB 100 does not affect the state special education appropriation.

(continued)

SB 100 Proposed Entitlements:

	<u>FY2000</u>	<u>FY2001</u>
Elementary basic entitlement	\$25,000	\$25,000
Elementary per-ANB entitlement	\$3,495	\$3,583
High school basic entitlement	\$204,000	\$208,080
High school per-ANB entitlement	\$4,821	\$4,869
Direct State Aid Percentage	40%	40%

- Under SB 100, direct state aid will be \$276.986 million in FY2000 and \$277.255 million in FY2001. Guaranteed tax base aid paid to school districts will be \$119.087 million in FY2000 and \$119.504 million in FY2001.
- SB 100 appropriates \$12 million for building maintenance, construction, or reconstruction, technology acquisition, textbooks, classroom supplies, and library materials. This appropriation will be distributed on a per-student basis and will fund approximately \$75 per student for 159,592 ANB.
- The increased cost to the state general fund as a result of SB 100 is \$19.986 million in FY2000 and \$14.708 million in FY2001.

FISCAL IMPACT:

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
<u>Expenditures:</u>		
Local Government Assistance	\$19,986,000	\$14,680,000
<u>Funding:</u>		
General Fund (01)	\$19,986,000	\$14,680,000
<u>Revenues:</u>	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	(\$19,986,000)	(\$14,680,000)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

School districts will respond to SB 100 in two ways. Some districts will increase district general fund spending; others will provide property tax relief. Some districts will combine the two approaches.

Increases in general fund budget authority in the over-BASE area will require voter approval.

TECHNICAL NOTES:

- The committee amendments do not specifically state that the \$12 million appropriation will be distributed on a per-ANB basis.